

### **REMARKS**

This Amendment is submitted in response to the Examiner's Action dated 16 January 2004 as being non-responsive.

As discussed with the Examiner, claims 2-91 of the non-responsive document have NOT been entered, so the substitute amendment adds new claims starting at claim number 2.

In the prior Office Action, the Examiner rejected Claim 1 as being obvious under 35 USC § 103(a) in view of Shkedy (USPN 6,260,024) in view of Chou et al. (USPN 6,035,289).

Applicant traverses this rejection and submits evidence and arguments in support of the patentability of claim 1 and new claims 2-20.

Before the merits are addressed, Applicant will provide a brief overview of the legal standard which is applicable.

### **THE LEGAL STANDARD FOR REJECTIONS UNDER 35 USC § 103**

The following provides an overview of the applicable legal standards for determining "obviousness":

(1) **WHAT IS EXAMINED:** 35 U.S.C. §103 mandates that the invention "as a whole" be considered in making an obviousness determination, and reads as follows:

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary

skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made."

(2) **THE OBVIOUSNESS TEST:** In *Graham v. John Deere Co.*, 383 U.S. 1,148 USPQ 459 (1966), the Supreme Court set forth the basic test for determining if an invention is obvious, stating at 383 U.S. 17-18:

"...the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or non-obviousness of the subject matter is determined."

(3) **TIME FRAME OF THE ANALYSIS:** 35 U.S.C. §103 mandates that the analysis be performed "at the time the invention was made".

(4) **THE BURDENS:** The USPTO bears the burden of establishing a *prima facie* case of obviousness, as is adequately summarized in *In re Fritch*, 972 F.2d 1260, 23 USPQ2d 1780 (Fed. Cir. 1992) which reads in relevant part, at 972 F.2d 1783, 1784:

"In proceedings before the Patent and Trademark office, the Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art . . . [The Examiner] can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. The patent applicant may then attack the Examiner's *prima facie* determination as improperly made out, or the applicant may present objective evidence tending to support a conclusion of nonobviousness."

What is required to meet this burden and establish a *prima facie* case of

"obviousness" is quite particular, as explained in *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988), at 837 F.2d at 1598, 1599, 1600, with emphasis supplied:

"The PTO has the burden under section 103 to establish a *prima facie* case of obviousness . . . . It can satisfy this burden only by showing some **objective** teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teaching of the references."

(5) **THE REQUIREMENT OF A WRITTEN EXPLANATION:** 35 U.S.C. §132 provides the standards for a written explanation of a rejection, stating in relevant part:

"Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging the propriety of continuing the prosecution of his application; . . . ."

(6) **IMPERMISSIBLE ACTIVITIES:** A substantial body of law exists which constrains the USPTO to proper considerations in performing an obviousness analysis. A few particular constraints are pertinent in the present application and will now be discussed.

First, obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion that the combination be made. See *In re Stencel*, 828 F.2d 751, 4 USPQ2d 1061 (Fed. Cir. 1987).

Second, the mere fact that the prior art **could** be modified as suggested by the

Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification. See *In re Laskowski*, 871 F.2d 115, 10 USPQ2d 1397 (Fed. Cir. 1989).

Third, before the USPTO may combine the disclosures of two or more prior art references in order to establish *prima facie* obviousness, these must be some suggestion for doing so, found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

Fourth, there must be some reason, suggestion or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination, and that knowledge cannot come from the appellant's invention itself. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992).

Fifth, it is impermissible for the USPTO to simply engage in hindsight reconstruction of the claimed invention, using the applicant's invention as a template and selecting elements from the references to fill the gaps. See *In re Gorman*, 933 F.2d 982, 18 USPQ2d 1885 (Fed. Cir. 1991).

#### SCOPE AND CONTENT OF SHKEDY

The Examiner relies upon USPN 6,260,024 to Shkedy, which is entitled "Method and Apparatus for Facilitating Buyer-Driven Purchase Orders on a Commercial Network System." Shkedy et al. is directed to a bilateral buyer-driven commerce system which aggregates individual buyers purchase requirements into a single collective purchase requirement, and sellers are located which are willing to bid on the collective purchase requirement.

Shkedy describes the prior art as being divided onto either "seller driven" systems or "buyer driven" systems. In a seller driven system, the seller assumes most of the commercial risk. In contrast, in a buyer driven system, the buyer assumes most of the

commercial risk.

Shkedy distinguishes its system from prior art auction systems such as priceline.com as well as buyer clubs such as Costco.

The system of Shkedy purports to provide individuals with a collective bargaining power usually reserved for large retailers or corporations that can exercise buying clout by virtue of their size. Shkedy proposes aggregating individual purchase orders into a single aggregate purchased order, allowing each individual to receive more favorable pricing terms than could be achieved by acting independently. See Column 3, lines 58-65.

While Shkedy describes in detail a variety of alternative communication, payment, networking, database, interface, and cryptographic systems which may be utilized, Shkedy does not vary from its main theme of aggregating the commercial interest of a number of individuals in order to obtain a better price.

Shkedy requires the utilization of an intermediary which acts as an agent or representative of the group. The intermediary may be compensated through a flat fee or a commission. Alternatively, advertisements may be utilized to pay for the administration costs. See generally Column 18, lines 23-36.

Shkedy discusses in particular a pooled purchase order (PPO) and a forward purchase order (FPO). The most relevant text that Applicant can find in Shkedy is found at Column 26, commencing at line 64, which reads in relevant part as follows:

"In a forward price embodiment, instead of providing a sealing price per item, the central controller 200 provides the buyer with a list of forward prices. The list is the price of the item for a given purchase date. If a buyer could wait for the manufacturer to produce the goods, he could get a cheaper price than a buyer who needed the item immediately. The buyer who needed the goods immediately would have to compensate a supplier for the added expense of keeping an inventory on hand. This concept is similar to just in time purchasing for large corporations, but now would be available to small corporations and

individuals.”

#### SCOPE AND CONTENT OF CHOU

Chou et al. (USPN 6,035,289) is directed to a system which may be utilized to facilitate the sale of shipping services utilizing shipping containers. Chou et al. does not teach or suggest the management of space within a standardized shipping volume, such as a standardized shipping container. Instead, Chou et al. provides a system which allows the management of a plurality of shipping containers in order to avoid a shortage of shipping resources. In the present invention, it is assumed and presumed that a sufficient number of shipping containers exist. The purpose of the present invention is to manage the space **within** each particular shipping container in a manner which optimizes trade efficiencies.

#### DIFFERENCES BETWEEN THE PRIOR ART AND THE INVENTION AS CLAIMED

Claim 1 has been amended to distinguish it from the prior art cited by the Examiner. Element d has been added to claim 1 :

(d) utilizing at least one visual representation of shipping space available within a standardized shipping volume in said distributed data processing system to communicate over time whether or not sufficient financial commitments have been obtained from said plurality of potential purchasers to fill one or more standard shipping containers .

Chou et al does not teach or suggest this feature. It does not teach or suggest the visual representation of space available for use **WITHIN** a standardized shipping volume such as a shipping container. Chou et al attempts to manage the allocation of shipping containers, but is not the least concerned with the management of space within a container. The present invention makes use of a visual representation of the internal space within containers. This allows small retailers to make financial commitments for the purchase of product (inventory) in amounts that are far less than necessary to fill a container. In this manner, a number of small retailers may act either

independently of in concert to "fill containers". This is desirable because it is NOT economical for manufacturers, shippers or retailers to make business commitments on anything less than full containers. Prior to the present invention, small buyers could not expect to participate at all in commercial activities.

Claims 2-20 all depend either directly or indirectly form Claim 1. Each claim adds additional features which are not taught or suggested by the cited prior art.

#### SUMMARY

Applicant submits that Claim1 and the newly submitted claims are patentably over Chou et al. and Shkedy and respectfully requests allowance of the pending claims.

If any additional fees are required please charge that fee to Deposit Account No. 50-1060.

Respectfully submitted,



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